DOCUMENT RESUME

ED 470 834 CE 084 153

AUTHOR	Levitan, Mark; Gluck, Robin
TITLE	Mothers' Work: Single Mothers' Employment, Earnings, and Poverty in the Age of Welfare Reform.
INSTITUTION	Community Service Society of New York, NY.
PUB DATE	2002-09-00
NOTE	59p.
AVAILABLE FROM	For full text: http://www.cssny.org/reports/special/motherswork2002_08.pdf.
PUB TYPE	Information Analyses (070) -- Opinion Papers (120)
EDRS PRICE	EDRS Price MF01/PC03 Plus Postage.
DESCRIPTORS	Access to Education; Block Grants; Change Strategies; Child Care; Community Surveys; Comparative Analysis; Dropouts; Education Work Relationship; Employed Parents; *Employed Women; Employment Level; *Employment Patterns; Employment Problems; Federal Legislation; Federal Programs; Federal Regulation; Federal State Relationship; High School Graduates; High Schools; Measurement Techniques; Mothers; National Surveys; Occupations; *One Parent Family; Part Time Employment; *Policy Formation; Poverty; Program Improvement; Public Policy; *Salary Wage Differentials; State Programs; State Regulation; Unemployment; *Welfare Reform; Working Poor
IDENTIFIERS	New York (New York); *Reauthorization Legislation; Temporary Assistance for Needy Families; Wage Subsidies; Welfare to Work Programs

ABSTRACT

Employment, earnings, and poverty among single mothers in New York City and across the United States in the age of welfare reform were examined to identify goals and recommendations for reauthorization of legislation regulating Temporary Assistance for Needy Families (TANF). The study indicated that although job holding by single mothers has risen by 16.8% since 1996 and unemployment among single mothers fell from 15.3% in 1996 to 10.7% in 2000, low wages, less than steady full-time work, and an inadequate system of income support are combining to produce high rates of poverty in families headed by employed single mothers. The following recommendations for revising TANF were offered as ways of increasing welfare recipients' ability to obtain better jobs, raise their incomes, and improve their rates of job retention: (1) expand access to training and education; (2) fund transitional employment programs; (3) increase funding for child care; (4) create funding for demonstration projects that improve access to other work supports; (5) allow states to exempt wage subsidies, housing assistance, and other income supports from the 5-year TANF time limit; (6) restore eligibility for legal immigrants; and (7) index the TANF block grant. Information on the study data and methodology is appended. (Contains 57 footnotes and 20 tables.) (MN)

Reproductions supplied by EDRS are the best that can be made
from the original document.

ED 470 834

MOTHERS' WORK:

Single Mothers' Employment, Earnings, and Poverty In the Age of Welfare Reform

By
Mark Levitan
and
Robin Gluck

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL HAS BEEN GRANTED BY

M. Levitan

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

1

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

X This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

Community Service Society of New York
105 E. 22nd Street, New York, NY 10010
www.cssny.org
September 2002

BEST COPY AVAILABLE

CE064153

TABLE OF CONTENTS

EXECUTIVE SUMMARY.....i

INTRODUCTION.....1

I. *THE NEW YORK CITY CONTEXT*.....6

II. *A DEMOGRAPHIC PORTRAIT*.....11

III. *THE RAPID RISE IN JOB HOLDING*.....14

IV. *HIGH BUT DECLINING UNEMPLOYMENT RATES*.....18

V. *PREVALENCE OF PART-TIME WORK*.....21

VI. *WHERE ARE THEY WORKING?*.....24

EMPLOYMENT BY INDUSTRY.....24

EMPLOYMENT BY OCCUPATION.....29

VII. *WHAT ARE THEY EARNING?*.....31

VIII. *ANNUAL EARNINGS, HOURS AND POVERTY*.....34

TEXT BOX: MEASURING POVERTY.....38

IX. *HALF THE BATTLE FOUGHT, HALF THE BATTLE WON?*.....42

X. *GOALS AND RECOMMENDATIONS FOR WELFARE REAUTHORIZATION*.....44

APPENDIX: DATA AND METHODOLOGY.....49

EXECUTIVE SUMMARY

This study explores trends in employment, earnings, and poverty among single mothers in New York City and the U.S. in the context of an overhaul of the nation's welfare system and a boom in employment opportunities.

The report's principal findings are these:

- *There has been a remarkable rise in job holding by single mothers in New York City and the United States.* From 1996 to 2000, the proportion of New York City working age single mothers with employment leapt by 16.8 percentage points. The increase in single mother job holding across the nation was also impressive; it climbed by 9.6 percentage points. (See Section III)
- *In both New York City and the U.S., single mother unemployment rates fell steadily from 1996 through 2000.* Although the single mother unemployment rate never dropped below double digits in the city, it did decline considerably, from 15.3 percent in 1996 to 10.7 percent in 2000. Over the same period, the single mother unemployment rate for the nation at large fell from 10.4 percent to 6.9 percent. (See Section IV)
- *The vast majority of employed New York City and U.S. single mothers are working full-time.* Part-time work, however, is most prevalent among single mothers who are likely to have difficulty finding full-time jobs at good pay, those without a high school degree. (See Section V)
- *A majority of the city's, and nearly half of the nation's, working single mothers are employed in the service sector.* Most single mothers are employed in administrative support (clerical) and service occupations. These jobs are typified by high turnover, low pay, and few employer-provided benefits. (See Section VI)

- *The wage rates single mothers can command in the labor market are modest.* Wages for single mothers with less than a high school degree averaged $7.83 in the city and $7.20 nationwide, a pay rate that even with full-time, year-around work could not lift a family of three above the federal poverty line ($14,269 in 2001). (See Section VII)
- *Low wages, less than steady full-time work, and an inadequate system of income support combine to produce high rates of poverty in families headed by employed single mothers.* At the peak of the 1990's economic expansion, one-quarter (24.9 percent) of New York City and nearly the same proportion (23.9 percent) of U.S. families headed by a working single mother lived below the federally defined poverty line. (See Section VIII)

The study's findings offer two important implications for the current debate over reauthorizing welfare. First, single mothers ought to have more opportunities to obtain the skills necessary to earn higher wages. Second, low-income families need a more robust system of income supplementation to fill the gap between their modest earnings and their basic material needs.

INTRODUCTION

Mothers' Work explores trends in employment, earnings, and poverty among single mothers in New York City and the nation in the context of an extraordinary event and an unusual circumstance. The extraordinary event was the 1996 overhaul of the nation's welfare system. The unusual circumstance was an unanticipated boom in employment opportunities in the second half of the 1990's.

Work and pay were a key issue in the debate over welfare reform. Many critics of the new law questioned the wisdom of adopting an employment-based welfare system after a two-decade deterioration in the labor market for less-skilled workers. Some argued that the economy would not generate enough employment to accommodate a large influx of new and relatively unskilled job seekers. Others predicted that the market would gradually adjust to the increased supply of labor, but the job opportunities would come at a high price – still lower wage rates at the low end of the earnings distribution.

In the short run, it seems, the pessimists got reform's timing all wrong.[1] The first years of the new system coincided with the strongest labor market in a generation. From 1996 through 2000 unemployment rates fell and real earnings for workers at the bottom rungs of the ladder rose. With a new regime at the welfare office providing the push and a steady supply of jobs serving as a pull,[2] the public assistance rolls plummeted[3] and, the data suggest, many of those leaving welfare found work.[4]

---

[1] The current recession, of course, renews the relevance of these issues full force.
[2] Rising wages and policy changes such as an increased minimum wage and an expanded Earned Income Tax Credit also made work more attractive.
[3] The number of TANF/AFDC recipients nationwide declined by 56.5 percent, from 12.5 million in 1996 to 5.4 million in 2001 (www.acf.dhhs.gov/news/stats/3697.htm).
[4] See, for example, Leaving Welfare: Post-TANF Experiences of New York State Families, The Rockefeller Institute of Government, June 2002.

If ending "dependency" as we knew it was the goal of the 1996 reform, its success could not be clearer. If creating an employment-based program that moves working single mothers and their children out of poverty was the goal, the evidence, in light of the best of all labor markets, is more ambiguous. While reform's champions tout the rise in employment and declines in poverty in the post-reform period, skeptics point to the many studies of welfare leavers, which show that high rates of employment have been accompanied by low earnings, periodic unemployment, and widespread material hardship.[5]

Although New York City's welfare reform effort – particularly its workfare-based attempt to achieve universal engagement – has figured prominently in the reauthorization debate, independent evaluation has not just been ambiguous; it's been scarce. The city has conducted only one (deeply flawed) effort to track the experience of its welfare leavers.[6]

While "leaver studies" can offer important insights about the fate of the many thousands of single mothers who left welfare in these years, a broader perspective is both important in its own right and a useful complement to that work. Welfare is now much more than a cash assistance program primarily serving jobless, single mothers; the impact of reform can no longer be fully measured by only the experience of those who have gone through the system. Most Temporary Assistance to Needy Families (TANF) block grant funds are used to finance programs that are intended to promote and support the transition to work and over a million low income workers who are no longer or never were welfare recipients participate in programs that

---

[5] See Heather Boushey. *Former Welfare Recipients Need More Help: Hardships Await Those Making Transition to Workforce*. Economic Policy Institute. N.D.; Elise Richer, Steve Savner, and Mark Greenberg. *Frequently Asked Questions about Working Welfare Leavers*. Center on Law and Social Policy, November 2001; and Pamela Loprest. *Families Who Left Welfare: Who are They and How are They Doing*? The Urban Institute, February 1999.

[6] Andrew Bush, Swati Desai, and Lawrence Mead. *Leaving Welfare: Findings from a Survey of Former New York City Welfare Recipients*. HRA Working Paper 98-01. September 1998. This study based its findings on a sample of only 126 former recipients. The survey respondents were also much more highly educated than the general welfare population (see the report's Figure 1.)

are funded by TANF dollars.[7] The entry of former welfare recipients into the labor market, particularly in a city like New York, has likely had an effect on the employment and earnings of other low-wage workers.[8]

The issue of work and pay still belongs at the core of debate about the future of welfare policy. As federal welfare legislation is set to expire and Congress is engaged in fashioning a new law, this study provides estimates from the U.S. Bureau of the Census' monthly Current Population Survey (CPS) to offer insight into the experiences, opportunities and challenges single mothers have faced in the labor market during the first iteration of a profound and continuing shift in public policy.[9]

The report's principal findings are these:

- *There has been a remarkable rise in job holding by single mothers in New York City and the United States*. From 1996 to 2000, the proportion of New York City working age single mothers with employment leapt by 16.8 percentage points, from 42.2 percent to 59.0 percent. The increase in single mother job holding across the nation was also impressive, climbing by 9.6 percentage points, from 65.9 percent to 75.5 percent. Surprisingly, single mother employment did not decline in New York City from 2000 to 2001.
- *In both New York City and the U.S. single mother unemployment rates fell steadily from 1996 through 2000*. While the single mother unemployment rate never fell below

---

[7] Sharon Parrott and Zoe Neuberger. *States Need More Federal TANF Funds*. Center on Budget and Policy Priorities. May 20, 2002.

[8] For a profile of New York City's low-wage workers see Mark Levitan and Robin Gluck. *Who Needs a Living Wage?* Community Service Society of New York. April 1, 2002. The report finds that one-in-five of all employed New York City residents earns less than $8.10 an hour.

[9] The study's estimates of mothers' employment status and median hourly earnings take advantage of a 1994 redesign in the monthly survey, which permits researchers to construct annual averages for family-level data that formerly were available only from the once-a-year March supplement to the CPS. The larger sample available from 12 months of data allows for a unique and detailed exploration of this period of unprecedented change.

double digits in the city, it did drop considerably, from 15.3 percent 1996 to 10.7 percent in 2000. In the U.S. the single mother unemployment rate fell from 10.4 percent to 6.9 percent. Echoing the employment indicator, the unemployment rate for New York City's single mothers did not rise from 2000 to 2001.

- *The vast majority (nearly 85 percent) of both New York City and U.S. employed single mothers are working full-time (at least 35 hours per week).* Part-time work, however, is most prevalent among single mothers who are likely to have difficulty finding full-time jobs at good pay, those without a high school degree.
- *A majority of the city's and nearly one-half of the nation's working single mothers are employed in the engine of the city's job growth, its service sector.* Most single mothers are employed in administrative support (clerical) and service occupations; these jobs are typified by high turnover, low pay, and few employer-provided benefits.
- *The wage rates single mothers can command in the labor market are modest.* Median hourly wages in the 1999 through 2001 period averaged $11.31 in 2001 dollars for New York's single mothers. For the nation the median was $10.20. Wages for single mothers with less than a high school degree averaged $7.83 in the city and $7.20 nationwide, a pay rate that even with full-time, year-around work could not lift a family of three above the federal poverty line ($14,269 in 2001).
- *Low wages, less than steady full-time work, and an inadequate system of supplemental income support combine to produce high rates of poverty in families headed by employed single mothers.* At the peak of the 1990's economic expansion, one-quarter (24.9 percent) of New York City and nearly the same proportion (23.9 percent) of U.S. families headed by a working single mother lived below the federally defined poverty line.

The report proceeds as follows:

Sections I and II provide a background for understanding the 1996 to 2000 rise in New York City single mother job holding by first setting this relatively brief period in the context of citywide employment trends over the course of the 1989 through 2000 business cycle and, second, by sketching a comparative demographic profile of the city's and the nation's single mother population. Sections III through V answer the question "how much work?" by providing a detailed account of employment, unemployment, and part-time work among New York City and all U.S. single mothers. The report then turns to the quality of the jobs single mothers are working in (section VI): In what industries are they employed? In what occupations? An important element of job quality is what you take home from it. The description of the jobs is, therefore, followed by an examination of wage rates (section VII). In section VIII comes the bottom line question: Are these mothers able to work their way out of poverty?

Sections IX and X draws out the policy implications of our findings as they relate to the current welfare reauthorization debate. If reducing poverty is to be a goal of public policy, our study concludes that the current welfare system needs to be strengthened. Two areas requiring improvement stand out; first, single mothers (particularly those with less than a high school education) need more opportunities to gain marketable skills; second, single mothers need a more robust system of work and income supports to fill the gap between their wage and salary earnings and the needs of their families. Finally, an appendix provides the details about the data.

I. THE NEW YORK CITY CONTEXT

If there were questions about the capacity of the national labor market to absorb welfare leavers in the mid-1990's, skepticism about the New York City economy seemed particularly apropos. The demand side of the labor market was weak. The city had endured a deep recession in the early 1990's, and through the middle of the decade employment growth remained tepid. On the supply side, nearly 500,000 adult welfare recipients were going to face plenty of competition from two other sources of less-skilled labor already plentiful in New York, recent immigrants and high school leavers.[10]

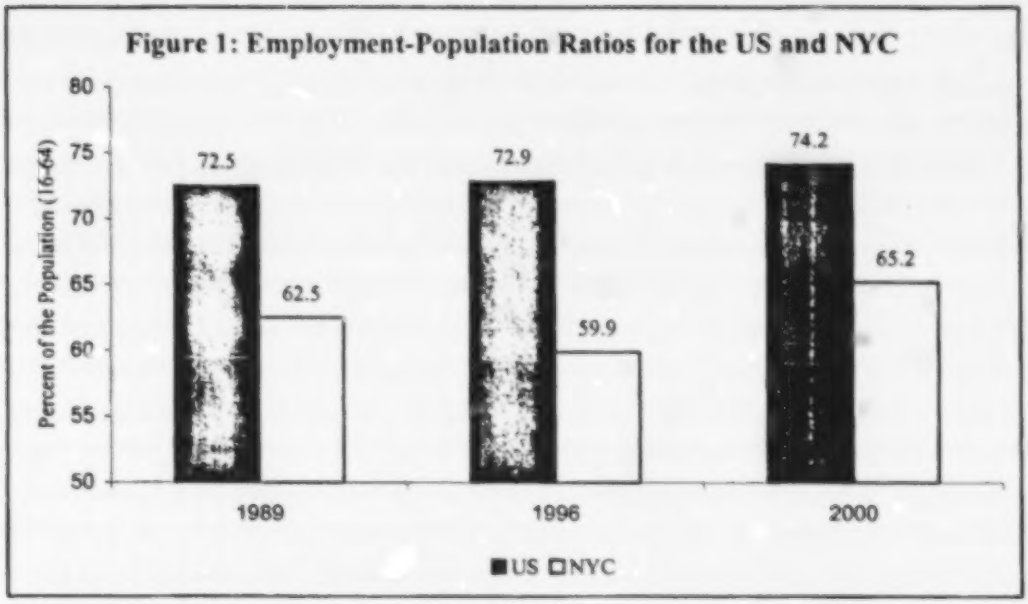
An additional source of concern was a long-standing feature of the city's economic landscape; a relatively small proportion of New York City's working age population (persons 16 through 64 years of age) is employed.[11] The gap between the city and the nation is decades old and cuts across demographic subgroups defined by gender, race/ethnicity, age, and education. A smaller fraction of New York City women (and men) hold jobs, for example, than women (and men) nationally.[12] In 1989, the peak of the economic expansion of the 1980's, the employment-population ratio (the proportion of the total working age population that is employed) for the city's residents stood at 62.5 percent, against 72.5 percent for the nation at large. (See Figure 1, which compares employment-population ratios for the U.S. and New York City at three points in time: the peak of the 1980's expansion, 1989; 1996, the year the city economy began to boom; and the peak of 1990's business cycle, 2000.)

---

[10] An overview of the New York labor market in the 1990's can be found in the Working Group on New York City's Low-Wage Labor Market, *Building a Ladder to Jobs and Higher Wages*. The Community Service Society of New York. September 2000.

[11] New York had the fifth lowest employment-population ratio out of the 17 cities for which the Bureau of Labor Statistics publishes such statistics. See *Geographic Profiles of Employment and Unemployment, 2000*. U.S. Bureau of Labor Statistics, June 2002.

[12] The NYC/US employment gap is documented and explored in Mark Levitan. *New York City's Labor Market, 1994-1997: Profiles and Perspectives*. The Community Service Society of New York. October 1998.



Source: CSS tabulations from the Current Population Survey.

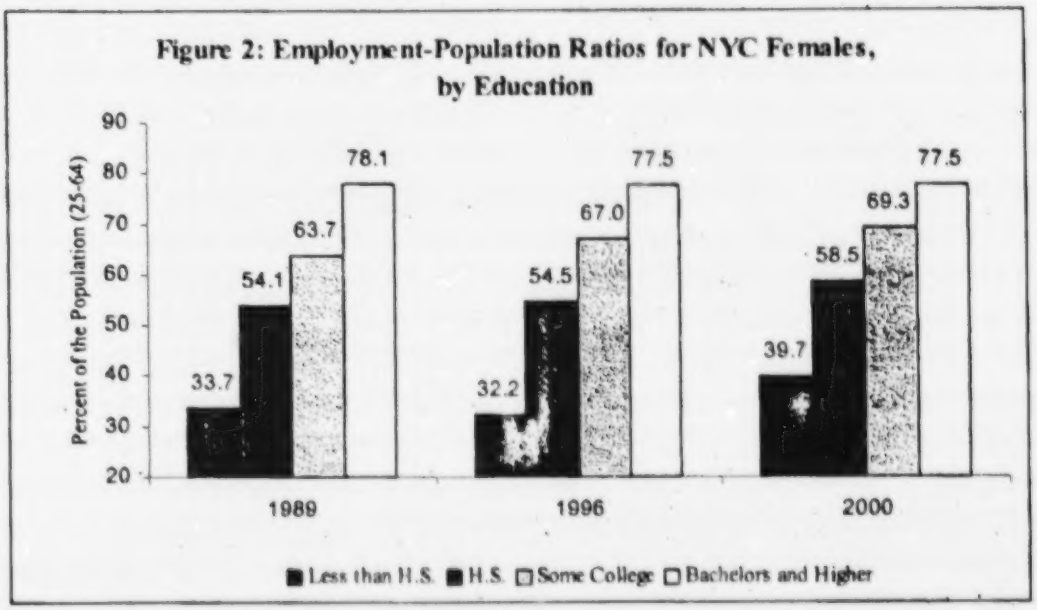
Along with the nation, New York City's economy expanded vigorously from 1996 through 2000. Although unemployment rates were higher and real wage growth weaker than the national average, both the number of jobs located in the city (payroll employment) and job holding by city residents (the employment-population ratio) grew strongly. And like the rest of the nation, the city succeeded in sharply paring its welfare rolls, reducing them by 50.9 percent from 1996 to 2001. The hot economy of the second half of the 1990's had a greater impact on job holding in New York City than the nation at large. From 1996 to 2000, the employment-population ratio for the city's residents climbed by 5.3 percentage points to 65.2 percent. Over the same period, the employment-population ratio for the U.S., by contrast, edged up 1.3 percentage points to 74.2 percent.

Within this citywide trend an even more dramatic set of changes were taking place. The roaring 1990's had a dramatic effect on employment among New York City women, whose overall employment-population ratio advanced by 5.5 percentage points. Most notably, the

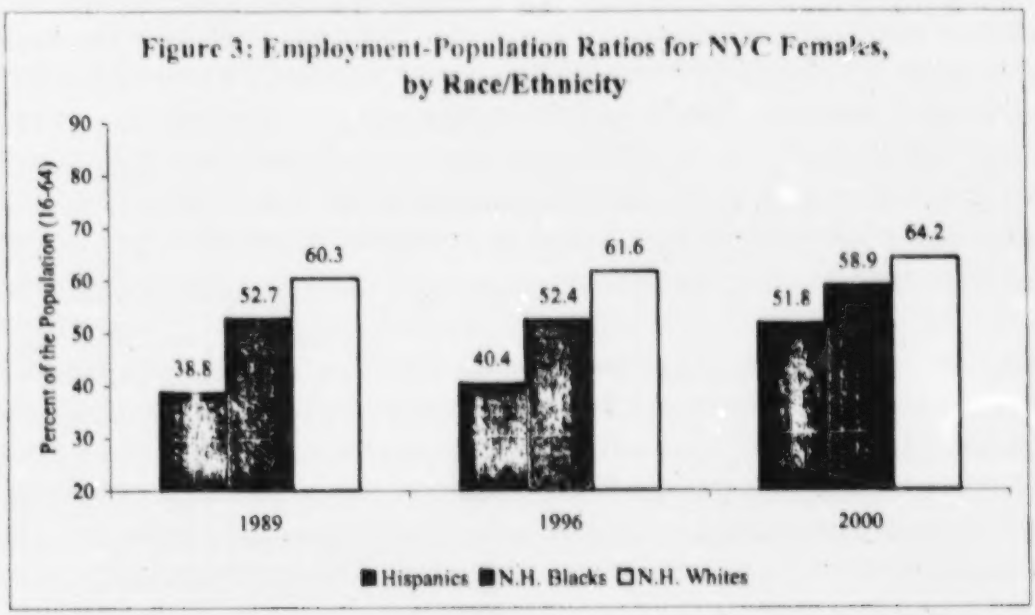
largest employment gains were made by the women who face the greatest barriers to success in the labor market. Figure 2 compares employment-population ratios for New York City women (25 through 64 years of age) by educational attainment in 1989, 1996, and 2000. Job holding varies markedly by levels of education, ranging from nearly eight-in-ten women with a college degree to less than four-in-ten women with less than a high school education. But, over the course of the economic expansion, these disparities narrowed as less-educated women gained ground and employment among women with a bachelors degree or more was virtually unchanged. From 1996 through 2000, the employment-population ratio for women with less than a high school degree jumped by 7.5 percentage points, from 32.2 percent to 39.7 percent. The increases for women with no more than a high school degree and women with some college education were more modest, 4.0 percentage points and 2.3 percentage points, respectively. Since there was no employment gain among women with a bachelors degree or more education, the disparities between education groups narrowed.

Figure 3, which provides employment-population ratios by race/ethnicity, parallels Figure 2's story. The variation in employment between Hispanic, Non-Hispanic Black, and Non-Hispanic White women is striking. At the 1989 business cycle peak, less than 40 percent of Hispanic women were employed, compared to slightly more than 50 percent of Non-Hispanic Black women and 60 percent of Non-Hispanic White women. Employment among each group edged down from 1989 to 1996 and then rose in the subsequent expansion. The increase in job holding among the women of color far outpaced that of the Non-Hispanic Whites. While employment among the latter group rose by 2.6 percentage points, the employment-population ratio for Non-Hispanic Black women jumped by 6.5 percentage points and leaped by 11.4 percentage points for Hispanic women.

In sum, an average 5.5 percentage point increase in the New York City employment-population ratio for women from 1996 through 2000 was driven by the dramatic rise in job holding among the city's most "disadvantaged" females. If changes in welfare law played a role in that increase, it ought to be evident in employment gains, from 1996 on, among those women who are most likely to be on welfare, single mothers -- particularly those who have had the greatest barriers to labor market success. Before turning to employment trends, we present a profile of the demographic characteristics of single mothers that have implications for their ability to work their way out of poverty.



Source: CSS tabulations from the Current Population Survey.



Source: CSS tabulations from the Current Population Survey.

II. A DEMOGRAPHIC PORTRAIT

When it comes to the characteristics typically associated with success in the labor market, New York City's single mothers are at a demographic disadvantage; they are comparatively ill educated, and more likely to be Black and Hispanic, born outside the continental United States, and young.[13] Table 1 provides a comparative portrait of married and single mothers in the U.S. and New York City in four dimensions: education, race/ethnicity, nativity, and age. Each number in the table is the proportion of the particular group of mothers who have the demographic characteristic described in the left hand column. Summing the data down the column, therefore, will equal 100 percent of the population.

For both the nation and the city, married mothers have higher levels of educational attainment than single mothers. In the U.S., single mothers are almost twice as likely as married mothers (19.2 percent versus 10.7 percent) to have less than a high school degree and they are less than half as likely (12.7 percent against 29.6 percent) to have a four-year (or higher) college degree. Both married and single mothers in New York have lower levels of education relative to their national counterparts. Lack of education is especially acute for the city's single mothers, nearly four-in-ten (39.0 percent) of whom have not completed high school.

Compared with married mothers, single mothers are more likely to be women of color. Roughly half (50.2 percent) of the nation's single mothers are either Black, Hispanic, or "Other (primarily Asian)" compared to less than three out of ten (28.1 percent) U.S. married mothers.

---

[13] Labor economists have been of two minds about the meaning of the statistical relationship between demographic characteristics such as race and ethnicity and employment and earnings. Some view such characteristics largely as indicators of marketable skills. If Hispanics, for example, attend relatively inferior schools compared to Non-Hispanic Whites, then educational variables such as the attainment a high school diploma will not capture all the differences in schooling between these two groups. Other labor market analysts see differences in the quality of schooling as only part of a larger set of social structures that systematically disadvantage racial and ethnic minorities and women in the labor market. An exploration of the source of the disparities by race/ethnicity that are reported in this study is beyond its scope, but readers who are looking for more can begin with Randy Albelda, Robert Drago, and Steven Shulman. Unlevel Playing Fields: Understanding Wage Inequality and Discrimination. McGraw-Hill: New York. 1997.

Reflecting New York City's dramatically different race/ethnic composition from the nation as a whole, nearly two-thirds (64.9 percent) of the city's married mothers and almost nine-tenths (89.1 percent) of the city's single mothers are women of color.

Across the United States there are only minor differences between married and single mothers by nativity or year of entry into the U.S.; married mothers are only somewhat more likely to have been born outside the continental United States than single mothers. Within New York City – which has a proportionately larger non-native population – the married mother/single mother difference is more pronounced. More than six-in-ten (61.5 percent) of New York married mothers were born abroad, while roughly half (50.1 percent) of the city's single mothers were born outside the continental U.S.[14]

Single mothers are younger than married mothers. In the U.S. 12.5 percent of single mothers are less than 25 years of age, compared to 5.1 percent of married mothers. In New York City 8.5 percent of single mothers but only 3.7 percent of married mothers are under 25. Notable differences between the age distributions of single and married mothers also exist in the 35 through 44 year-old age range; this group includes 46.6 percent of married mothers against 38.9 percent of single mothers in the U.S. and 46.1 percent of married mothers versus 38.6 percent of single mothers in New York City.

[14] We use the term "born outside the continental United States" rather than foreign born because the data includes persons born in Puerto Rico and other parts of the U.S.

Table 1. A Demographic Profile of Married and Single Mothers, US and NYC
(Numbers are the percent of the population with the given characteristic.)

A: by Educational Attainment

	United States		New York City	
	Married	**Single**	**Married**	**Single**
Less Than High School	10.7	19.2	15.9	39.0
High School	30.4	35.4	34.5	24.5
Some College	29.3	32.6	18.7	25.4
Bachelors or more	29.6	12.7	30.9	11.1

B: by Race/Ethnicity

	United States		New York City	
	Married	**Single**	**Married**	**Single**
Non-Hispanic White	71.9	49.7	35.1	10.9
Non-Hispanic Black	7.6	30.8	19.6	44.7
Hispanic, Any Race	13.7	14.8	25.7	40.4
Other (primarily Asian)	6.8	4.6	19.6	4.0

C: by Nativity/Year of Entry into the U.S.

	United States		New York City	
	Married	**Single**	**Married**	**Single**
Born in the Continental U.S.	82.0	86.9	38.5	49.9
Entered the U.S. Before 1980	4.8	4.5	12.6	16.0
Entered the U.S. 1980-89	6.0	4.7	22.3	17.7
Entered the U.S. After 1989	7.1	3.9	26.6	16.4

D: by Age Group

	United States		New York City	
	Married	**Single**	**Married**	**Single**
Under 25	5.1	12.5	3.7	8.5
25 through 34	31.1	33.4	31.0	33.7
35 through 44	46.6	38.9	46.1	38.6
45 and older	17.2	15.2	19.2	19.2

Source: CSS tabulations from the Current Population Survey, 2000.
Columns may not sum to 100 due to rounding.

III. THE RAPID RISE IN JOB HOLDING

There has been a remarkable rise in job holding among New York City's single mothers. From 1996 through the 2000 business cycle peak, the proportion of the city's single mothers with employment jumped from 42.2 percent to 59.0 percent. This 16.8 percentage point gain is even more impressive in context. This was a period of rapid employment growth in New York, so some employment increase would be expected. Recall that over the same period the employment-population ratio (the proportion of working age adults who are employed) for all city residents rose by 5.3 percentage points; for women there was a 5.5 percentage point increase. The increase in job holding among single mothers, therefore, outpaced these citywide increases by three-fold.

Table 2 provides employment-population ratios for the United States and New York City for both married and single mothers. This table, as well as all the others in the section, reflect the large gap in job holding between residents of the city and the nation-at-large (noted above.) Our comments, however, direct the reader's attention to what has changed over a relatively brief period of time.[15] In 1996, in both the U.S. and the city, married mothers were more likely to be employed than single mothers; 68.3 percent against 65.9 percent for the nation and 56.1 percent compared with 42.2 percent for the city. Between 1996 and 2000, there was no change in the employment-population ratio for U.S. married women. Over the same period, job holding among U.S. single women rose by 9.6 percentage points. A similar pattern held in New York City. The employment-population ratio for married mothers edged up by only 1.9 percentage points, while the single mother ratio leapt forward by 16.8 percentage points. As a result of these changes, single mother job holding exceeds that of married mothers nationwide. For the city,

[15] Because the 2001 recession seems to have more impact on single mother employment outside New York City, we focus on changes through the 2000 business cycle peak in our comparisons between the U.S. and New York City.

single mothers had a much larger gap to close, but had reached parity with married mothers by 2000. In 2001, the employment-population ratio slipped for all groups except for New York City's single mothers. (We discuss why this may have happened below, in the section on employment by industry.)

Table 2. Employment-Population Ratios
(Percent of the working-age population.)

	United States		New York City	
	Married Mothers	Single Mothers	Married Mothers	Single Mothers
2001	67.7	74.5	54.1	60.5
2000	68.3	75.5	58.0	59.0
1999	68.2	74.7	56.8	54.8
1998	68.1	71.8	55.4	49.7
1997	68.7	69.2	53.4	45.4
1996	68.3	65.9	56.1	42.2
Percentage Point Change 1996-2000	**0.0**	**9.6**	**1.9**	**16.8**

Source: CSS tabulations from the Current Population Survey.

Table 3 adds another dimension to the picture we drew in Table 2; it breaks the data down by the presence of a child under six years of age. Mothers with younger children are less likely to work outside the home than mothers with older children. But this did not hold back the upward trend in job holding. In both the U.S. and New York City, employment gains were greatest for single mothers with children under six years of age. (This distinction in the data changes little for married mothers.) Employment gains for single mothers with a child under six exceeded those with older children, by 7.7 percentage points in the nation (13.9 percentage points against 6.2 percentage points) and 6.4 percentage points (18.4 percentage points versus 12.0 percentage points) in the city. New York City single mothers with children under six were the only group whose employment-population ratio increased in 2001.

Table 3. Employment-Population Ratios for Mothers by Presence of Children Under Six (Percent of the working-age population.)

	United States				New York City			
	Married Mothers		Single Mothers		Married Mothers		Single Mothers	
	No	Yes	No	Yes	No	Yes	No	Yes
2001	74.2	59.5	78.9	67.4	63.4	44.6	65.0	53.2
2000	75.2	59.9	79.6	69.1	64.5	51.2	65.2	49.3
1999	74.6	60.7	79.2	67.4	62.0	51.9	60.1	45.1
1998	74.0	61.1	77.0	63.6	63.7	46.4	53.8	44.3
1997	74.8	61.4	74.9	60.9	62.6	44.9	55.0	34.0
1996	74.6	61.0	73.4	55.2	62.3	50.2	53.2	30.9
Percentage Point Change 1996-2000	0.6	-1.1	6.2	13.9	2.2	1.0	12.0	18.4

Source: CSS tabulations from the Current Population Survey.

Employment-population ratios also vary by educational attainment and race/ethnicity. Job holding rises with schooling and Whites enjoy higher levels of employment than Blacks and Hispanics. Tables 4 and 5 provide employment-population ratios for single mothers in the United States and New York City by education and race/ethnicity. Both illustrate this longstanding pattern of disparity. But, in each, the most rapid increases were for the groups that face the greatest labor market disadvantages. Table 4, which details employment-population ratios by education, indicates that virtually all the gains in job holding from 1996 to 2000 were among single mothers with less than a bachelors degree and that the most dramatic increases were for single mothers with less than a high school diploma, 15.4 percentage points in the U.S. and 26.9 percentage points in New York City.

21 BEST COPY AVAILABLE

Table 4. Employment-Population Ratios for Single Mothers by Educational Attainment (Percent of the working-age population.)

	United States				New York City			
	Less than High School	High School	Some College	Bachelors or more	Less than High School	High School	Some College	Bachelors or more
2001	52.7	74.1	80.7	89.6	41.5	61.9	71.8	86.6
2000	53.7	75.4	83.1	89.6	42.8	60.0	72.6	82.6
1999	50.4	74.6	82.7	91.1	34.4	54.0	68.1	89.1
1998	46.7	72.2	80.4	90.4	28.4	47.5	65.1	82.6
1997	42.3	70.1	78.6	89.5	21.1	47.8	62.2	84.6
1996	38.3	67.2	75.2	88.4	15.9	52.8	59.6	81.3
Percentage Point Change 1996-2000	**15.4**	**8.2**	**7.9**	**1.2**	**26.9**	**7.2**	**13.0**	**1.3**

Source: CSS tabulations from the Current Population Survey.

Job holding rose for all the race/ethnic groups identified in Table 5. The largest gains, in both the U.S. and New York City, were for Black and Hispanic single mothers. Hispanic single mothers, who have the lowest rates of job holding, experienced the very greatest increases, by 16.1 percentage points and 22.8 percentage points in the nation and city, respectively.

Table 5. Employment-Population Ratios for Single Mothers by Race/Ethnicity (Percent of working-age population.)

	United States			New York City		
	Non- Hispanic White	Non-Hispanic Black	Hispanic, Any Race	Non-Hispanic White	Non-Hispanic Black	Hispanic, Any Race
2001	79.7	70.3	67.0	73.7	61.5	54.4
2000	80.4	72.0	67.5	76.6	58.3	53.8
1999	80.0	71.5	64.4	71.4	57.9	44.0
1998	78.6	67.8	59.6	60.3	59.4	36.9
1997	76.9	64.1	56.9	71.5	46.5	34.3
1996	74.7	59.5	51.4	68.2	44.7	31.0
Percentage Point Change 1996-2000	**5.7**	**12.5**	**16.1**	**8.4**	**13.6**	**22.8**

Source: CSS tabulations from the Current Population Survey.

BEST COPY AVAILABLE

IV. HIGH BUT DECLINING UNEMPLOYMENT RATES

The sharp increase in job holding is one indicator that many single mother who were entering the labor market in the second half of the 1990's were able to find work. The steady decline in single mother unemployment rates from 1996 to 2000 is another.[16] Table 6 provides unemployment rates for single and married mothers in the United States and New York City. Across the nation and in the city, single mothers suffered higher rates of unemployment than married mothers (often more than twice as high as their married counterparts). But there was little downward movement in the married mother unemployment rate, in either the U.S. or New York City, from 1996 to 2000. Over the same period, the unemployment rate for single mothers fell by 3.5 percentage points nationally and by 4.6 percentage points citywide.

Table 6. Unemployment Rates
(Percent of the labor force.)

	United States		New York City	
	Married Mothers	**Single Mothers**	**Married Mothers**	**Single Mothers**
2001	3.3	7.6	4.8	10.1
2000	2.8	6.9	4.7	10.7
1999	2.8	7.3	3.9	12.9
1998	3.2	8.6	5.8	16.3
1997	3.3	7.5	7.2	17.5
1996	3.7	10.4	6.1	15.3
Percentage Point Change 1996-2000	**-0.9**	**-3.5**	**-1.4**	**-4.6**

Source: CSS tabulations from the Current Population Survey.

[16] The unemployment rate is not simply the flip side of the employment-population ratio; both its numerator and denominator differ from that measure of job holding. The unemployment rate is the ratio of the number of individuals who are unemployed – they are jobless and actively seeking employment – to the number of persons in the labor force – the sum of the employed and the unemployed. This means that the unemployment rate and the employment-population ratio can vary independently of one another; an increase in one does not imply an equal, opposite decrease in the other. Thus it was possible that the increase in labor market participation by single mothers in the latter part of the 1990's could have both increased their employment-population ratio and raised their unemployment rates.

BEST COPY AVAILABLE

Of all four groups of mothers in the table, New York City's single mothers had the highest rates of unemployment. The city's single mothers face a number of distinct labor market disadvantages. As highlighted above, New York's single mothers are overwhelmingly Black and Hispanic and compared to the other groups of mothers disproportionately less educated. Another potential source of disadvantage is that single mothers may endure more frictional unemployment; they might work in sectors of the economy that are characterized by unstable levels of employment or they may have difficulty retaining their jobs because they lack reliable child care. These workers would tend to move from job to job over the course of a year and have relatively higher annual average unemployment rates. (The sector on industry and occupation, below, returns to this point.) A third factor is the high degree of competition in the low end of the city labor market from other less-skilled workers such as immigrants or high school leavers. In this context, the New York City single mother unemployment rate is a good news/bad news story. Throughout the economic expansion, the unemployment rate for the city's single mothers never fell below 10 percent, but it did fall steadily from 1996 through 2000 and (unlike other groups) appears to have continued its decline into 2001.[17]

Tables 7 and 8 detail unemployment rates for single mothers by education and by race/ethnicity. Since they both illustrate large disparities among education and race/ethnic groups, they provide support to the argument that the relatively high unemployment rates for New York City single mothers generally are associated with differences in race/ethnic composition and educational attainment.[18] The very high rates of unemployment depicted in Table 7 for single mothers with less than a high school degree (18.6 percent at the peak of the

[17] Readers should be cautious about year to year changes in or small differences between groups detailed in these tables. They are based on a small numerator, the number of unemployed.

[18] Note a difference here between the employment-population ratios and unemployment rates. Unlike the employment-population ratios, the NYC/U.S. disparities in unemployment rates narrow in comparisons across detailed demographic groups.

BEST COPY AVAILABLE

business cycle), along with their low employment-population ratios are a reminder of how important education can be in determining the ability of single women to make it in the labor market. This is a pattern we will note in other measures of labor market success below and a problem that we return to in the context of welfare reauthorization.

Table 7. Unemployment Rates for Single Mothers by Educational Attainment (Percent of the labor force.)

	United States				New York City			
	Less than High School	High School	Some College	Bachelors or more	Less than High School	High School	Some College	Bachelors or more
2001	16.0	8.0	5.8	2.9	20.1	6.2	9.1	2.6
2000	15.6	7.3	4.6	2.3	18.6	7.2	8.5	4.2
1999	16.8	8.0	5.0	2.0	23.4	15.5	7.9	2.5
1998	18.9	9.6	5.9	2.2	30.2	20.7	9.2	3.4
1997	21.3	10.7	7.0	2.4	33.8	17.4	13.3	5.4
1996	21.9	10.8	8.1	3.6	36.5	10.4	10.8	8.4
Percentage Point Change 1996-2000	-6.3	-3.5	-3.5	-1.3	-17.9	-3.2	-2.3	-4.2

Source: CSS tabulations from the Current Population Survey.

Table 8. Unemployment Rates for Single Mothers by Race/Ethnicity (Percent of the labor force.)

	United States			New York City		
	Non-Hispanic White	Non-Hispanic Black	Hispanic, Any Race	Non-Hispanic White	Non-Hispanic Black	Hispanic, Any Race
2001	5.4	11.1	8.8	4.9	10.9	11.8
2000	4.7	9.7	9.1	4.1	11.4	13.0
1999	5.2	9.9	9.8	9.7	13.8	14.2
1998	5.6	12.8	11.3	9.8	16.8	19.3
1997	6.1	14.5	13.6	6.9	21.7	19.1
1996	6.5	15.8	14.1	8.3	17.5	17.4
Percentage Point Change 1996-2000	-1.8	-6.1	-5.0	-4.2	-6.1	-4.4

Source: CSS tabulations from the Current Population Survey.

BEST COPY AVAILABLE

V. PREVALENCE OF PART-TIME WORK

To round out our exploration of how much work for pay single mothers engage in, this section explores the issue of part-time employment.[19] One important (and complex) question about part-time work by mothers is whether it is "good" or "bad." Every family struggles to find a balance between more time on the job, which will bring in more income, versus time at home devoted to childrearing or other care giving. But the trade offs and options are very different for single and married mothers. Simply put, few single mothers can provide their families an adequate standard of living on part-time earnings. The story that emerges from the data suggests that among married mothers, part-time work is typically a "good"; it tends to be chosen by women who could be working full-time for relatively higher wages. However, among single mothers, part-time work appears to be a hardship; it is most common among women with the least education and (presumably) the least ability to pick and chose among employment options.[20] Not only do part-time workers earn less than they would if they worked full-time; they are less likely than full-time workers to receive employer-provided benefits such as health insurance, retirement programs, or paid sick leave.[21]

The proportion of married and single mothers who are working part time in the U.S. and New York City is provided in panel A of Table 9. Married mothers are more likely than single mothers (25.4 percent versus 15.2 percent in the U.S. and 19.3 percent versus 16.6 percent in the

---

[19] Following the practice of the U.S. Bureaus of the Census and Labor Statistics we classify people as part-time workers if they usually work less than 35 hours per week. Because we see no trend in these data over time, we report a three-year average of 1999, 2000, and 2001.

[20] 45.5 percent of U.S. single mothers who are working part-time indicate that they want full-time work compared with 11.7 percent of U.S. married mothers who work part-time. Among the former group, mothers with less education were more likely to want full-time work than those with higher levels of education.

[21] See for example, U.S. Bureau of Labor Statistics, *National Compensation Survey, 2000.*

BEST COPY AVAILABLE

city) to be working part-time, which is consistent with the suggestion that part-time work is a "luxury" that some two-parent, two-earner families are able to afford.[22]

Panel B of the table indicates that in the U.S., both married and single mothers with children under six years old are more likely to be working part-time than their counterparts who are without younger children; by 4.4 percentage points for married mothers and by 6.7 percentage points for single mothers. However, a younger child in the family makes no difference in part-time work among married mothers in New York City.[23] Indeed, New York City married mothers and single mothers with a young child are all equally as likely (one-in-five) to be working part-time. The married/single mother differential is due to the lesser incidence of part-time work by single women with older children.

Panel C strengthens the case that part-time work among single mothers is a hardship. In the nation and the city, mothers with less than a high school degree have the highest incidence (one-quarter of each) of part-time work. By contrast, single mothers with the highest levels of education have the lowest levels of part-time work (9.4 percent in the U.S. and 12.2 percent in New York City). Part-time hours do not vary as dramatically by single mothers' race/ethnicity (see panel D). In both the U.S. and New York City, Blacks have the lowest (14 percent in each) and Hispanics have the highest (17.3 percent and 19.5 percent) incidence of part-time work.

The prevalence of part-time work among single mothers who don't have much in the way of educational credentials should be read as a cautionary sign about the extent to which we can assume that the rise in job holding is lifting more families out of poverty. What kind of jobs single mothers hold is also important. The report's next section continues to probe this issue by describing single mother employment by industry and occupation.

---

[22] 94.0 percent of the husbands of working married mothers are employed. Furthermore, among married mothers, Non-Hispanic Whites have the highest incidence of part-time work.

[23] It is possible that a difference might have emerged if we had chosen a lower age for the youngest child; under three, for example.

BEST COPY AVAILABLE

Table 9. Proportion of Mothers Working Part Time, US and NYC

A: Overall

United States		New York City	
Married	**Single**	**Married**	**Single**
25.4	15.2	19.3	16.6

B: by Presence of Children Under 6

	United States		New York City	
	Married	**Single**	**Married**	**Single**
No children under 6	23.7	12.8	19.2	14.8
At least one child under 6	28.1	19.5	19.5	20.1

C: by Educational Attainment for Single Mothers

	United States	New York City
Less Than High School	25.9	24.4
High School	15.0	13.7
Some College	14.0	15.8
Bachelors or more	9.4	12.2

D: by Race/Ethnicity for Single Mothers

	United States	New York City
Non-Hispanic White	15.3	17.2
Non-Hispanic Black	14.1	14.0
Hispanic, Any Race	17.3	19.5

Source: CSS tabulations from the Current Population Survey, outgoing rotation groups 1999, 2000, 2001.

BEST COPY AVAILABLE

VI. WHERE ARE THEY WORKING?

Success in the labor market depends on not just whether you work but what kind of work you do. Single mothers stand a better chance of earning their way out of poverty if they are working in jobs that offer stable and well-remunerated employment. Our investigation into the quality of employment begins with its "geography"; in which industries and in what occupations are single mothers working? The industry story tells us quite a bit about the strength of the demand side of the labor market and the extent to which economic growth created employment opportunities for less-skilled job seekers. The occupation data provide some important insights into job quality – the kind of work, pay and employer-provided benefits available to single mothers.

EMPLOYMENT BY INDUSTRY

Welfare reform played a major role in the post-1996 growth of single mothers' labor market participation. But it's one thing to be looking for work and quite another to find it. The growth in job holding and the decline in unemployment among single mothers would not have occurred if the demand side of the labor market had not done its part. The economy needed to be generating job opportunities for women who often lacked schooling or work experience. The industry-level data suggest that between 1996 and 2000 the nation's and the city's burgeoning service sector was creating the needed employment.

Table 10a describes in what industries single mothers in the U.S. are working. The first column in the table (labeled "Distribution of Employment") gives the percentage distribution of single mother employment by industry. (Reading the table down the list of industries sums to 100 percent of all employed single mothers.) Just under one-half (48.2 percent) of U.S. single mothers work in the service industry group. The next largest industry group is retail trade (17.8 percent). Within the service sector, industries that provide healthcare services (16.7 percent),

educational and social services (14.2 percent), and business and professional services (10.2 percent), are major employers of single mothers.

The table also provides data on the change in total industry employment to illustrate which industries were generating employment opportunities. The second column in the table (labeled "Change in Total Industry Employment, '96-'00") reports the number of jobs created between 1996 and 2000. During the boom, the U.S. service sector accounted for just under half of the nation's total employment growth, 6.0 million out of 12.1 million jobs. Most of the service sector's job growth came from industries providing business and professional services (well over three million) along with educational and social services (over one million). The retail trade was also a major contributor to employment growth, expanding by 1.7 million jobs. The 1996 through 2000 period is a case of being at the right place at the right time; the distribution of single mother employment was well matched with the power houses of employment growth. But the next column in the table (labeled "Change in Total Industry Employment, '00-'01") suggests a much weaker labor market for single mothers in 2001. On an annual average basis, total industry employment in the U.S. grew by just 202,000 jobs. Although manufacturing industries were the biggest losers (shedding nearly 800,000 jobs), not all service industries continued to expand; business and professional services employment dropped by nearly 100,000 jobs.[24]

Table 10b tells the by-industry employment story for New York City. Differences in the distribution of single mother employment between New York and the nation reflect the city's more service-oriented economy. Service industries employed nearly six-in-ten of New York City's single mothers. Within this sector healthcare industries employed 21.2 percent,

[24] Note that the changes in annual average employment, like those reported here, are less dramatic than estimates of job losses measured by a specific month against a specific month.

BEST COPY AVAILABLE

educational and social services accounted for 17.9 percent, and business and professional services provided employment for 11.2 percent of total single mother employment. Retail trade was another major single mother employer (11.9 percent).

Just as in the U.S., New York City's single mothers tended to work in industries that were responsible for the lion's share of total job growth. Between 1996 and 2000, the service sector accounted for nearly two-thirds (231,000 out of 354,000) of the city's increase in employment. Over half of the service sector's increase came from industries providing business and professional services (132,000 jobs). Educational and social services added almost 50,000 additional jobs. Recession-related job losses in New York City have been more severe and widespread than in the nation as a whole. Yet job holding by the city's single mothers did not decline and unemployment did not rise from 2000 to 2001. The distribution of single mother employment and the location of the declines suggest why. The continued expansion of the healthcare and educational and social services industries seems to have provided enough employment to more than make up for the declines in retail trade and business and professional services.

Table 10a. Single Mother Employment by Industry and Change in Total Industry Employment, United States, 1999-2001

	Distribution of Employment (Percent)	Change in Total Industry Employment (In thousands)	
		'96-'00	'00-'01
Services:	48.2	6,003.0	513.0
Healthcare[A]	16.7	625.5	277.3
Educational and Social Services[B]	14.2	1,076.0	263.8
Business and Professional Services[C]	10.2	3,235.6	-97.9
Other Services[D]	7.1	717.9	9.6
Retail Trade	17.8	1,740.0	185.0
Manufacturing	11.2	-22.0	-778.0
Finance, Insurance, and Real Estate	7.7	667.0	134.0
Transportation, Communications, and Public Utilities	5.6	778.0	34.0
Government	4.9	1,283.0	231.0
Other Industries	4.6	1,663.0	-117.0
Totals	**100.0**	**12,112.0**	**202.0**

Sources: Distribution of Employment data are from the Current Population Survey, 1999, 2000, 2001. Industry employment data are from the U.S. Bureau of Labor Statistics, Current Employment Survey.

A. Includes SIC 80.
B. Includes SICs 82, 83, 84, and 86.
C. Includes SICs 73,81,and 87.
D. Includes SICs 70, 72, 75, 76, 78, and 79.

Note: Industry employment data for sub-sectors of the service industry do not sum to the Services total.

BEST COPY AVAILABLE

Table 10b. Single Mother Employment by Industry and Change in Total Industry Employment, New York City, 1999-2001

	Distribution of Employment (Percent)	Change in Total Industry Employment (In thousands)	
		'96-'00	'00-'01
Services:	57.3	230.5	8.1
Healthcare[A]	21.2	14.6	4.6
Educational and Social Services[B]	17.9	48.8	15.1
Business and Professional Services[C]	11.2	131.9	-12.9
Other Services[D]	7.1	29.6	0.8
Retail Trade	11.9	60.1	-0.9
Manufacturing	8.4	-23.6	-12.7
Finance, Insurance, and Real Estate	8.8	22.6	-4.4
Transportation, Communications, and Public Utilities	7.6	8.4	-1.2
Government	4.4	23.5	-5.8
Other Industries	1.6	32.4	-4.1
Totals	**100.0**	**353.9**	**-21.0**

Sources: Distribution of Employment data are from the Current Population Survey, 1999, 2000, 2001. Industry employment data are from the U.S. Bureau of Labor Statistics, Current Employment Survey.

A. Includes SIC 80.
B. Includes SICs 82, 83, 84, and 86.
C. Includes SICs 73,81,and 87.
D. Includes SICs 70, 72, 78, and 79.

Note: Industry employment data for sub-sectors of the service industry do not sum to the Services total.

EMPLOYMENT BY OCCUPATION

The distribution of employment by occupation offers further insight into what kind of jobs single mothers hold and their level of earnings. Table 11 provides the distribution of employment by occupation for married as well as single mothers. Relative to married mothers, single mothers are underrepresented in (generally well paid) professional and technical occupations and overrepresented in (typically low-wage) service jobs. The most notable contrast between New York and the nation (beside the lack of farming jobs in the city) is the somewhat greater representation of the city's single mothers in administrative support and service occupations, a difference which reflects the large role "headquarters" functions and service industry employment play in the city economy. Administrative support (clerical) workers – who make up 23.9 percent of U.S. and 26.6 percent of New York City single mother job holders – are employed across the industrial spectrum as receptionists, clerks, word processors, and secretaries.

Service occupations, which account for nearly one-quarter of U.S. and three-tenths of New York City single mother employment, lie at the bottom rungs of the service producing sector. In businesses that supply services to individuals (contained in "other services" in the industry tables above), service occupations include jobs such as home care aides and private household workers. In firms that provide professional and business services, service workers are employed as janitors, security guards, and cafeteria workers. In the healthcare industry they work as aides and orderlies. In educational and social service industries they are the child care workers. These jobs do not require much in the way of formal credentials, but the workers who fill them face a work day that is important, demanding, and often physically exhausting.[25]

---

[25] Those who want to experience this work at a safe distance should read Barbara Ehrenreich. Nickel and Dimed: On (Not) Getting By in America. Henry Holt and Co.: New York. 2001.

Turnover rates are high.[26] Wages in these occupations are typically the lowest on the pay scale.[27] And workers in blue collar, service, clerical and sales occupations are less likely than professional and technical employees to receive employer-provided benefits such as retirement programs and health insurance.[28]

Table 11. Mothers' Employment by Occupation, U.S. and NYC (Occupation's share of total employment.)

	United States		New York City	
	Married	Single	Married	Single
Managerial and Executive	15.6	12.7	13.5	11.2
Professional and Technical	26.3	16.2	25.4	14.5
Sales	10.5	11.6	9.0	9.1
Administrative (Clerical)	23.6	23.9	22.6	26.6
Service	14.7	23.1	21.4	30.3
Blue Collar	8.1	11.9	8.2	7.8
Farming	1.2	0.6	0.0	0.4

Source: CSS tabulations from the Current Population Survey, 1999, 2000, 2001.

[26] New York State Department of Labor. *Occupational Outlook 1998-2008 & Wages 1998, New York City.* June 2001.
[27] *Ibid.*
[28] U.S. Bureau of Labor Statistics. *National Compensation Survey, 2000.*

VII. WHAT ARE THEY EARNING?

"Any job," public recipients have been told, "is better than welfare." But any job might not lift a family out of poverty. For work to "work," work must pay. Does it? This section of the report provides data on earnings, which we measure by the three-year average (1999, 2000, and 2001) of median hourly wages expressed in 2001 dollars.[29] As panel A of Table 12 illustrates – regardless of marital status – mothers in New York City earn a little over one dollar an hour more than mothers in the United States. The one dollar difference reflects the fact that New York is a high living expense, high wage city. It would be a stretch to conclude, therefore, that working mothers enjoy a higher standard of living in New York City than they do nationally. The nearly two dollar gap between married and single mothers, in both the nation and the city, is more dramatic, but, given the demographic and occupational differences we have noted in prior sections, do not come as a surprise. They should, however, be a cause for concern.

The large differences in pay, nationally and citywide, by schooling are particularly important if we are worried about the ability of single mothers to work their way out of poverty. (See the table's panel B.) Single mothers with less than a high school degree earn extremely low wages, $7.20 in the U.S. and $7.83 in New York. While these mothers are a modest share of all employed single mothers nationally, 13.7 percent, they represent a considerable share of the employed single mothers in New York City, 28.3 percent. Although wage rates rise with education, they remain quite modest for single mothers with only a high school degree (particularly at the national level) and those with some college education who have not earned a bachelors degree.

---

[29] The median wage was used rather than the average wage to avoid the effects of outliers in the data and a three-year average was used to increase the sample size.

The variation in wage rates for married as well as single mothers by race/ethnicity in the U.S. is also dramatic. White mothers earn considerably more than Black mothers, who, in turn, earn roughly a dollar an hour more than Hispanic mothers. (See panel C.) In New York, these disparities among single mothers are more muted because the wage rates for Black and Hispanic mothers are considerably higher than their national counterparts.

The wage data repeat a now familiar pattern of variation and disadvantage. What this means for the issue of work and poverty is addressed in the section that follows.

Table 12. Median Wages for Married and Single Mothers, U.S. and NYC

A: Overall

United States		New York City	
Married	**Single**	**Married**	**Single**
$12.00	$10.20	$13.09	$11.31

B: by Educational Attainment

	United States		New York City	
	Married	**Single**	**Married**	**Single**
Less Than High School	$7.29	$7.20	$7.69	$7.83
High School	$10.00	$9.17	$10.32	$10.97
Some College	$11.84	$10.89	$13.13	$12.40
Bachelors or more	$18.71	$17.76	$20.75	$18.57

C: by Race/Ethnicity

	United States		New York City	
	Married	**Single**	**Married**	**Single**
Non-Hispanic White	$12.59	$11.11	$16.22	$12.17
Non-Hispanic Black	$11.43	$9.58	$12.95	$11.68
Hispanic, Any Race	$9.18	$8.64	$10.19	$10.17

Source: CSS tabulations from the Current Population Survey, outgoing rotation groups, 1999, 2000, 2001. Three-year averages are stated in 2001 dollars.

VIII. ANNUAL EARNINGS, HOURS AND POVERTY

The wage data show that a considerable proportion of single mothers are earning low wages. One measure of how extensive the problem of low pay may be is the "poverty wage" rate. Taking the poverty threshold for a family composed of one adult and two children ($14,269 in 2001) and dividing it by a hypothetical number of hours of paid employment over the course of a year - 1,820 (52 weeks times 35 hours) - yields a $7. 84 poverty wage rate.[30] We find that on average 27. 6 percent of U.S. and 27.2 percent of New York City single mothers earned less than the inflation-adjusted equivalent of the poverty wage standard from 1999 through 2001.[31]

This measure, by construction, assumes full-time work throughout the year. But not every employed single mother enjoys steady work. The March supplement to the Current Population Survey provides retrospective data on respondents' work experience over the course of the prior calendar year.[32] Although the vast majority of working single mothers are employed full-time, year around, enough experience some weeks of joblessness so that mean annual weeks worked are less than 52. From 1998 through 2000, U.S. single mothers who worked at some time in the year averaged 45.1 weeks a year of employment, 3.0 weeks of unemployment (jobless and actively seeking work) and 4.8 weeks in which they were not in the labor force (jobless and not making specific efforts to find work). Their New York City counterparts averaged 43.9 weeks of employment, experienced 2.1 weeks of unemployment and spent 5.1 weeks out of the labor force. These weeks of joblessness along with the part-time hours worked by some single mothers translate into average yearly hours that are less than the full time, year-round standard used above. Over the same three-year period, single mothers averaged 1,754.2

---

[30] Single mothers in both the U.S. and New York City averaged 1.8 children under 18. Tabulated from the CPS, 2000.
[31] Tabulated from the CPS outgoing rotation groups for 1999, 2000, 2001.
[32] See the appendix for more details about the CPS.

hours of work nationally and 1,641.8 hours of work in New York City annually.[33] This suggests that the poverty wage measure may be an overly optimistic indicator of the extent to which single mothers have raised their families out of poverty through work.

To measure the depth of poverty among working single mothers, we estimate the proportion of U.S. and New York City families headed by a single working mother that lives below 100 percent ($14,269 for a family of three) 150 percent ($21,404 for a family of three), and 200 percent ($28,538 for a family of three) of the federally defined poverty threshold. We report multiples of the poverty threshold because recent research into "self-sufficiency standards," "basic needs budgets" and material hardships among families make a strong case that the poverty thresholds are far too low. (See the boxed text below for a description of how poverty is measured.) In order to include only those mothers with significant labor market activity, we employ a criterion adopted by the Bureau of Labor Statistics in its reports on working poverty, counting only those families whose mothers had at least 27 weeks of labor force participation over the year in our tabulations.[34]

The figures below depict first a measure of the extent to which single mothers are earning their way out of poverty through work by estimating an "earnings poverty" rate, created by comparing the mother's income from wages, salaries or self-employment against the poverty threshold for her family. Poverty rates measured in this fashion are very high. In the U.S. more than a third of single mothers did not earn enough to lift their families above 100 percent of the poverty line; well over half did not earn enough to lift their families above 150 percent of the poverty line; and seven-in-ten did not earn enough to lift their families above 200 percent of the poverty line. (See Figure 4.) The data for New York City are quite similar: 38.6 percent of

[33] Weeks and hours worked per year were tabulated from the CPS March 1999, 2000, and 2001.
[34] See, *A Profile of the Working Poor, 1999*. U.S. Bureau of Labor Statistics, Report 947, February 2001. This criterion raises the average number of weeks worked to 48.2 in the U.S. and 47.5 in NYC. Mean annual hours rise to 1889.6 in the U.S. and 1795.2 in NYC.

single mothers did not earn enough to lift their families above 100 percent of the poverty line, 54.9 percent did not earn enough to lift their families above 150 percent of the poverty line, and 66.0 percent did not earn enough to lift their families above 200 percent of the poverty line. (See Figure 5.)

This does not mean that all these families were poor; earnings are not the only source of family income. Other income sources include means tested cash assistance such as welfare payments and Supplemental Security Income; social insurance programs (Social Security, Unemployment Insurance and Workers Compensation); as well as income from private sources such as child support. The U.S. Bureau of the Census measures poverty by comparing the poverty threshold to a family's total pre-tax cash income (labeled "pre-tax cash poverty" in the graphs). On that basis, 23.2 percent, 41.8 percent, and 56.7 percent of U.S. families headed by working single mothers lived below 100 percent, 150 percent, and 200 percent of the poverty line, respectively. In New York City, 24.9 percent of working single mother families lived below 100 percent of the poverty line, 40.1 percent lived below 150 percent of the poverty line, and 56.4 percent lived below 200 percent of the poverty line. Supplementing earnings with these other forms of income leads to a roughly 10 to 15 percentage point decline in the share of single mother families living below 100 percent, 150 percent, and 200 percent of the poverty threshold.

This measure of poverty has been criticized for not including two important resources. One is "near-cash" means-tested assistance such as Food Stamps and Section 8 housing vouchers. These programs provide recipients with additional resources to secure life's necessities and free their cash income for other uses. Because it includes only pre-tax income, another resource not captured in the official poverty rate is the Earned Income Tax Credit (EITC). Figures 4 and 5, therefore, provide a final measure of poverty – labeled "Total income poverty" – that compares post-tax cash (adding the EITC and subtracting payroll and income

taxes) and near cash income (the cash value of Food Stamps, School Lunch subsidies and Section 8 Housing Assistance) against the poverty threshold.[35] The inclusion of these forms of income makes a relatively large impact on the poorest families, a drop of 9.0 percentage points nationally, to 14.2 percent, and a drop of 7.5 percentage points in the city, to 17.4 percent living below 100 percent of the poverty line. Effects are more modest at 150 percent of poverty due to the phase out of benefit eligibility for Food Stamps and turn negative at 200 percent of the poverty threshold because further up the income distribution families are paying out more in payroll and income taxes than they are receiving from the EITC.[36]

Means-tested, social insurance, and tax programs have only modest effects on the total incomes for all but the very poorest of families. This is a result of two shortcomings in the nation's provision of supplemental income to families headed by low-wage workers. One is that not enough of them are participating in programs they are eligible for. The second problem is that eligibility standards are set and phase outs begin to occur at very low income levels. Families who live above 130 percent of the poverty line are no longer able to obtain Food Stamps. The phase out of the EITC for a family of two or more children occurs below the 100 percent of poverty threshold. This is an issue we return to in the context of welfare reauthorization.

---

[35] A detailed description of the construction of the "Total Income poverty" rate is provided in the Appendix.
[36] The Appendix further details the contribution of these income sources to "total income."

MEASURING POVERTY

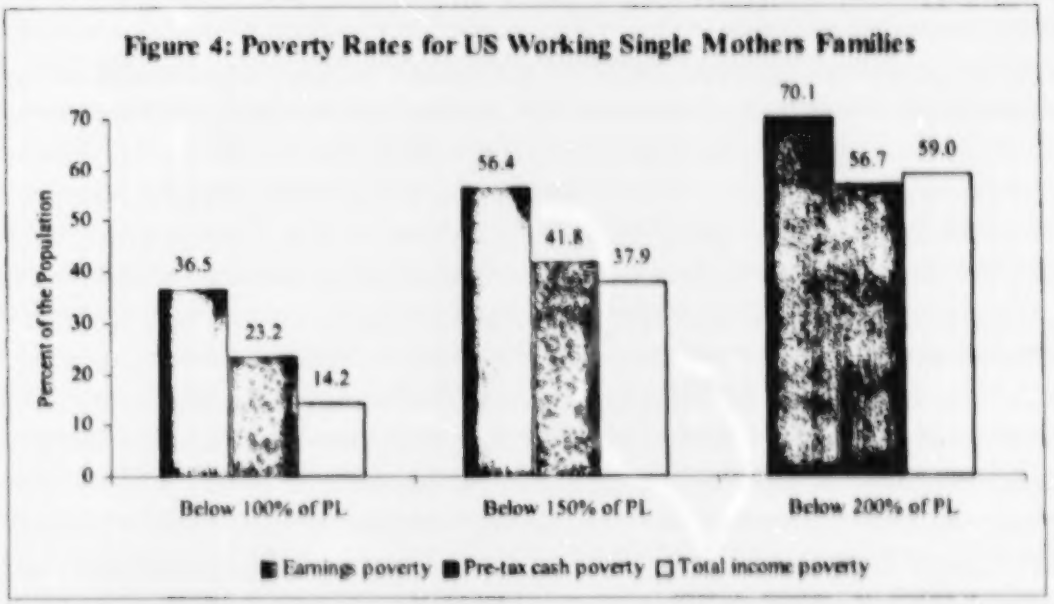
Absolute measures of poverty, such as those employed by U.S. government statistical agencies, are based on the comparison of two elements. One is a family-size and composition adjusted poverty threshold (usually referred to as the poverty line). The threshold is an income level below which families are classified as poor. The other element in the poverty measure is a definition of income that the poverty threshold is compared to. The Census Bureau uses a family's total pre-tax cash income. The poverty rate is simply the ratio of the number of families (or individuals) who live below the poverty threshold to the total population.

Both elements of the poverty measure have been criticized. The thresholds were established in the mid-1960's and reflect a pattern of family income expenditure that is badly out of date. As a standard of need they are very low. In 2001 the poverty threshold for a family composed of one adult and two children, for example, was only $14,269. The threshold for a two-adult, two-child family was $17,960. (Tables detailing the full set of thresholds are available at www.census.gov/hhes/poverty/thresholdthres01.html)

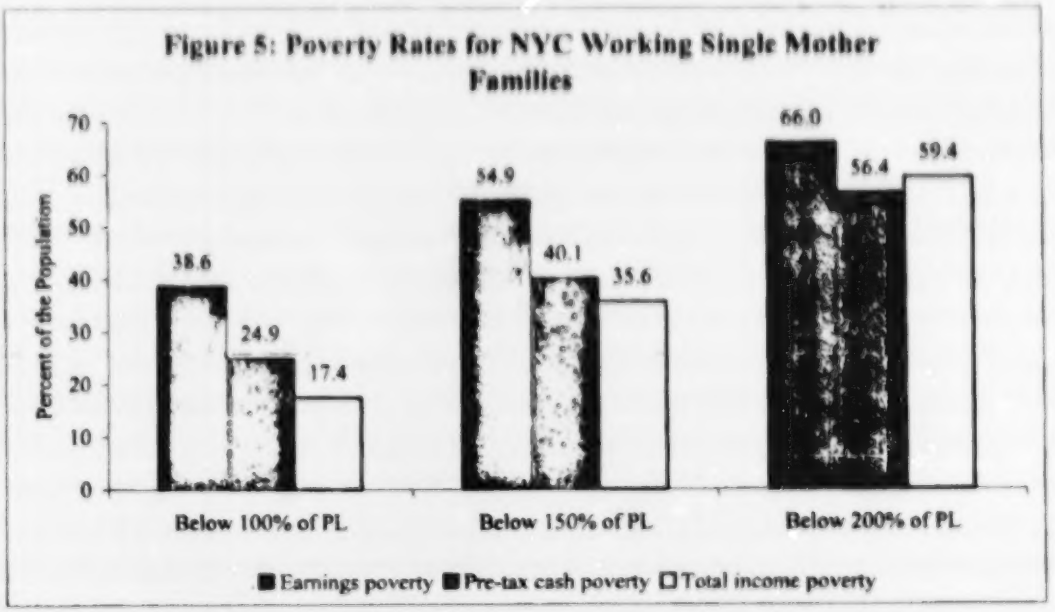
Although the thresholds are adjusted each year to account for inflation, they do not reflect differences in living expenses across the country; the threshold for a family in the rural South is the same as that for a family in the South Bronx. As an alternative to these poverty thresholds researchers have begun to construct new measures of income adequacy such as the self-sufficiency standard and basic needs budgets. These standards are often well over twice the federal poverty line. "Self-sufficiency" in 2000 for a family composed of one adult, one preschooler and one school-age child living in Brooklyn required an income of $44,592. And a basic needs budget for a one-adult, two-child family in the New York City area was an estimated $43,602 in 1999. (See the Women's Center for Education and Advancement's The Self-Sufficiency Standard for the City of New York (www.wceca.org) and the Economic Policy Institute's Hardships in America: The Real Story of Working Families. (www.epinet.org). Our use of 100 percent, 150 percent, and 200 percent of the poverty line rates is a rather conservative estimate of income adequacy.

The definition of income used to measure poverty is also an anachronism. Pre-tax cash income no longer adequately captures the resources available to families to meet their basic material needs. Most low-income working families receive refunds from the Earned Income Tax Credit. Food Stamps and other near-cash forms of assistance can also provide the equivalent of thousands of dollars of income to families that qualify and receive them.

The U.S. Bureau of the Census web site provides a number of papers exploring the implications of different definitions of poverty. (www.census.gov/hhes/povmeas.html).



Source: CSS tabulations from the Current Population Survey, March 1999, 2000, 2001.



Source: CSS tabulations from the Current Population Survey, March 1999, 2000, 2001

At the end of the longest economic expansion in the nation's history, six out of ten single mothers could not, through their own labor and the "largess" of government transfers, lift their families up to what many consider an adequate standard of living. Those who claim that welfare reform was an unalloyed success point to the decline in poverty rates among families headed by single mothers as evidence that the new system not only put people to work but brought them out of poverty. But the decline in single mother poverty does not necessarily imply that *working* poverty fell during these "golden years." In fact, (as illustrated in Figure 6) the poverty rate for families headed by a *working* single mother showed little change from the three years proceeding welfare reform (1994-1996) to the last three years for which data is available (1998-2000). In the U.S. it edged down by only 1.8 percentage points, while in New York City it rose by 3.3 percentage points.[37]

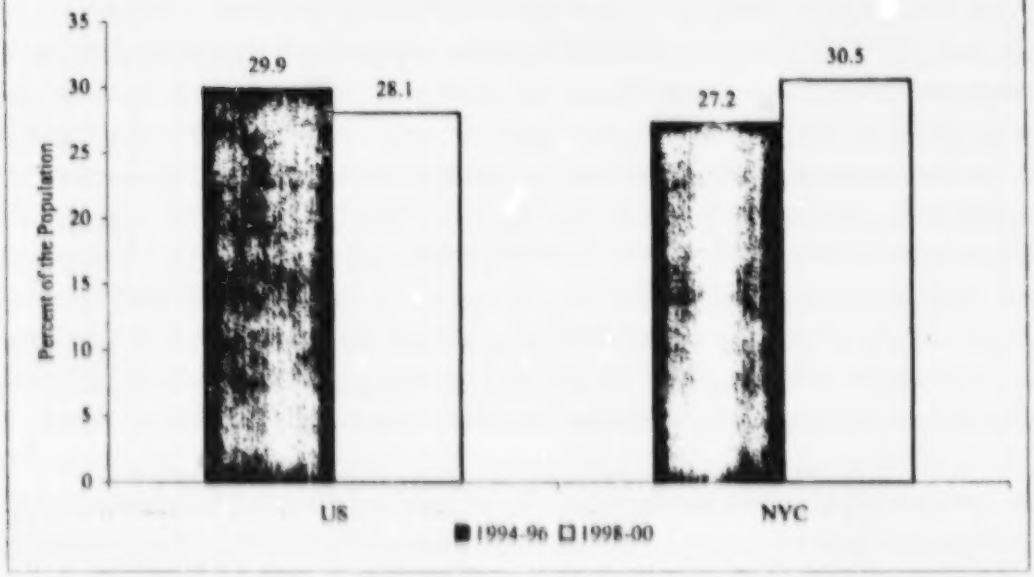
What drove down the poverty rate for *all* single mother families was a composition shift, not a change in poverty rates. As Figure 7 illustrates, a growing share of mothers living in poor families were at work. Over the same time period as depicted in Figure 6, the proportion of single mother families with work grew from 53.8 percent to 66.3 percent in the U.S. and from 25.7 percent to 40.6 percent in New York City. Their families, thereby, moved out of a group with very high poverty rates – non-working families – and into a group with lower poverty rates – working families.[38] But, as we have seen, going to work did not provide them an assured escape from poverty.

---

[37] To make the data in Figures 6 and 7 commensurable, the poverty rates in Figure 6 include families that engaged in any work over the course of the year. Thus the poverty rates for 1999-2000 are somewhat higher than those provided in Figures 4 and 5. Readers should interpret the rise in the NYC poverty rate with caution since small changes calculated from a small sample may not be statistically significant.

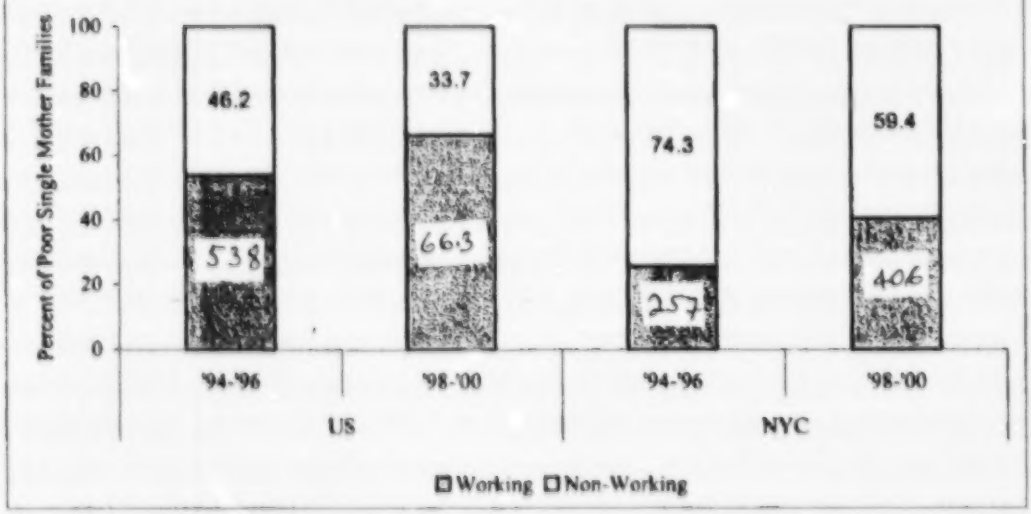
[38] Poverty rates for non-working single mother families were 75.8 in the U.S. and 77.2 percent in NYC.

Figure 6: Poverty Rates for Working Single Mother Families



Source: CSS tabulations from the Current Population, March 1995-97 and 1999-01.

Figure 7: Employment Among Poor Single Mother Families



Source: CSS tabulations from the Current Population, March 1999, 2000, 2001.

BEST COPY AVAILABLE

IX. HALF THE BATTLE FOUGHT, HALF THE BATTLE WON?

This study has chronicled the labor market experience of single mothers in the context of the first years of welfare reform. What does its tale of increased work, low wages, and high poverty imply about this dramatic shift in public policy? As we suggested at the outset of this report, the answer depends, in part, on one's criteria. The political leaders who ended welfare "as we knew it" had a diverse (but not necessarily incompatible) set of priorities. For some, paring the rolls was the overriding goal. Others wanted to foster two-parent family formation. A third goal was to promote work.

Perhaps the most relevant set of criteria flow not so much from the intent of the federal legislators, but from the agenda and priorities that emerged out of the actual implementation of the 1996 legislation. In a somewhat inchoate, piecemeal way, welfare (TANF-funded and related programs) evolved into an array of efforts that (to different degrees of success) serve three overlapping functions. The first of these is cash assistance (albeit temporary) to needy families. The second is the promotion of work, which includes the gamut (or gauntlet) of the punitive – diversion, time limits, meaningless workfare assignments and sanctions – and the constructive – such as the more successful welfare-to-work programs. The third function takes the form of a variety of cash and near-cash income transfers (such as subsidized child care, transitional Medicaid and Food Stamps, and Earned Income Disregards) to working families that supplement their income and improve their chances of staying employed over time.[39]

Against these criteria, evidence of success is mixed. Reform – through sanctions, diversion, as well as job placement – cut the public assistance rolls. And, although it is difficult to parse out their relative contributions, reform plus the best of all possible labor markets spurred

---

[39] Heather Boushey. *Staying Employed After Welfare: Work Supports and Job Quality Vital to Employment Tenure and Wage Growth*. Economic Policy Institute. July 2002.

a truly impressive rise in single mother job holding. If the battle was to transform welfare from a cash assistance entitlement to a program that promotes work, the reformers have had some justification for claiming victory.

The moral of our story is that "more work" is too narrow an objective. A job ought to be more than a path out of dependency; it needs to become a road out of poverty. Fashioning an effective anti-poverty strategy based on employment will require far reaching action that links TANF-funded programs to a more comprehensive system that addresses working poverty.[40] But, given the opportunity presented by the need to reauthorize federal welfare legislation, we focus here on what the welfare system can do.

If the second iteration of welfare reform is to be an improvement on the first, it will have to build upon the best elements of the current system and go beyond them. The priority this study identifies is raising the incomes of working families. One way to achieve this is higher wages. Programs that promote work need to do more to enhance skills so that welfare leavers can compete for jobs that lie further up the wage ladder. Welfare participants (particularly those with less than a high school education) need more opportunities to gain marketable skills through education and training programs. A second avenue to higher incomes is supplementation. Although federal and state spending on programs that provide assistance to low-income working families expanded in the late 1990's, post-welfare "work supports" remain an undeveloped aspect of the post-1996 regime. The patchwork of in-kind and income supports should be strengthened so that it better fills the gap between low wages and family needs. The recommendations that follow are steps toward that end.

---

[40] The contours of that larger system are laid out, in the New York City context, in *Building a Ladder to Jobs and Higher Wages*.

X. GOALS AND RECOMMENDATIONS FOR WELFARE REAUTHORIZATION

GOAL:
INCREASE THE ABILITY OF WELFARE LEAVERS TO OBTAIN BETTER JOBS

Recommendation: Expand access to training and education.

The data we have presented show that wage rates are despairingly low for workers without much education. Participants would be better off if they left welfare with more marketable skills than they had when they came into the system.[41] To ensure that recipients can earn GED's, participate in vocational education and learn English as a second language, state and local administrators should be given additional flexibility in the permitted use of the TANF grant. Higher education should be included as an acceptable work preparation activity.

Recommendation: Fund transitional employment programs.

Research shows successful efforts to enhance the employability of welfare participants are often those that combine work experience with training.[42] Transitional jobs programs offer short-turn, wage-paying, publicly subsidized jobs in public sector agencies and nonprofit organizations. Because they offer "real world" employment experience and on the job training, these programs have been an effective tool in addressing the needs of the "hard to employ." They can also play an important role in providing employment opportunities in times of, or in areas of, high unemployment. Since 1997, a number of states and local communities have created such programs, often using Welfare-to-Work block grant funds. Since this funding stream was not renewed, successful programs are beginning to run out of funding.

---

[41] Karin Martinson and Julie Strawn. *Built to Last: Why Skills Matter for Long-Run Success in Welfare Reform*. Center for Law and Social Policy. May 2002.
[42] Marieka Klawitter. *Effects of WorkFirst Activities on Employment and Earnings*. University of Washington. September 2001.

GOAL:
RAISE INCOMES AND INCREASE RATES OF JOB RETENTION

Recommendation: Increase funding for child care.

The supply of subsidized child care has not kept pace with the rise in single mother employment. The latest data show that only one in seven federally eligible children receives child care,[43] and in New York City an estimated 100,000 eligible children under six years of age do not receive subsidies.[44] Interviews conducted by Community Service Society in the South Bronx indicate that three-quarters of respondents did not receive transitional child care benefits within the first year of leaving public assistance; consequentially, 15 percent reported losing their newly found jobs and 49 percent jeopardized their employment.[45] Increasing the Child Care and Development Fund is essential. Increasing flexibility in the TANF block grant would also improve child care quality, choice and access.

Recommendation: Create funding for demonstration projects that improve access to other work supports.

Families that leave welfare for work and other low-income working families benefit from work support programs like health insurance, child care, Food Stamps and the Earned Income Tax Credit. Unfortunately, many families that are eligible for these benefits do not receive them.

Food Stamps: In 1999, only 43 percent of eligible *working* families nationwide participated in the Food Stamp Program,[46] and in 2002, more than half of New York City's eligible population did not receive Food Stamp benefits.[47] In the Community Service Society

---

[43] Jennifer Mezey, Mark Greenberg, and Rachel Schumacher. *The Vast Majority of Federally-Eligible Children Did Not Receive Child Care Assistance in FY 2000: Increased Child Care Funding Needed to Help More Families.* Center for Law and Social Policy, June 2002.
[44] *Child Care: The Family Life Issue in New York City.* Citizen's Committee for Children of NY. May 2000.
[45] Forthcoming CSS report on welfare leavers in the South Bronx.
[46] *Making Ends Meet: Six Programs that Help Working Families and Employees.* Center for Law and Social Policy, June 2002.
[47] Fact Sheet. Community Food Resource Center. June 2002.

BEST COPY AVAILABLE

South Bronx interviews, only 40 percent of respondents received Food Stamps. Of these, more than one-half had gaps in coverage that lasted an average of seven months.[48]

Health Insurance: In 1999, nearly 95 percent of the nation's uninsured children were eligible for Medicaid or State Child Health Insurance Program (SCHIP).[49] In the Community Service Society interviews, 21 percent of respondents were uninsured for the entire year after leaving public assistance. Of those respondents who did receive employment-based insurance, Transitional or Community Medicaid, 36 percent had gaps in medical coverage and were uninsured for an average of four months.[50]

To address this problem, a new funding stream should be created to provide competitive grants for states to pilot approaches to improving access to transitional benefits, for example, by simplifying applications or using eligibility screening tools.

Recommendation: Fund additional welfare-to-work housing vouchers.

In fiscal year 1999 Congress allocated funding for 50,000 new Section 8 housing vouchers for families for whom the lack of affordable housing was a substantial barrier to employment. This program has been shown to be successful in enabling welfare leavers and participants to find work. The demand for the program outstrips its capacity.[51] Although this program is administered by Housing and Urban Development (HUD) and is funded through the HUD/Veterans Affairs appropriations process, it is important to support this program in the TANF reauthorization process.

---

[48] Forthcoming CSS report on welfare leavers in the South Bronx.
[49] Matthew Broaddus, Shannon Blaney, Annie Dude, Jocelyn Guyer, Leighton Ku, and Jaia Peterson. *Medicaid Family Coverage: States' Medicaid Eligibility Policies for Working Families in the Year 2000.* Center on Budget and Policy Priorities. February 2002.
[50] Forthcoming CSS report on welfare leavers in the South Bronx.
[51] *Welfare-to-Work Leasing Report, July 2002.* US Department of Housing and Urban Development. July 2002.

Recommendation: Allow states to exempt wage subsidies, housing assistance, and other income supports from the five-year TANF time limit.

Under current federal regulations working families are "on the clock" if they receive TANF-funded income supports. This rule needlessly penalizes families that have left welfare for work and discourages states from using the block grant to provide assistance to working poor families.

Recommendation: Restore eligibility for legal immigrants.

The 1996 reform of welfare barred many legal immigrants from programs funded by the TANF block grant, SSI, Medicaid and Food Stamps. While some progress has been made in restoring immigrant eligibility, this remains a barrier that should be eliminated. Some states have attempted to replace benefits for this population with state dollars. However, the limitation on use of TANF fund for this purpose reduces state flexibility significantly. Restoration of eligibility would relieve state and local budgets that are currently covering some of those expenses.

Recommendation: Index the TANF Block Grant.

The current value of the TANF Block Grant must be maintained. Although the welfare rolls are dramatically smaller now than in 1996, demands on the Block Grant are growing. The decline in national caseload came to an end shortly after the onset of the current recession.[52] Pressure on the welfare system will continue to mount if the job market does not recover soon. The weaker economy also means that many state and local governments are strapped for cash.[53] Many are cutting back on welfare-related spending. Because states must prioritize cash assistance, TANF block grant dollars and state Maintenance Of Effort spending will be

---

[52] "Volatility Common Among Welfare Caseloads," *NCSL News*, July 26, 2002.
[53] The National Conference of State Legislatures estimates that the states collectively face a $57.9 billion budget gap in fiscal 2003. "State Budget Gap Deepens to $58 Billion," *NCSL News*, July 24, 2002.

withdrawn from programs that help recipients overcome barriers to employment and support their efforts to maintain employment after they have left welfare.[54] Another drain on the grant is inflation. The federal block grant has not increased since 1997, eroding its value by more than 11 percent. If the grant remains at its current level over the next five years, its inflation-adjusted value will decline by an estimated one-fifth of its original level.

[54] *States Are Already Cutting Child Care and TANF-Funded Programs*, Center on Budget and Policy Priorities, May 16, 2002.

APPENDIX: DATA AND METHODOLOGY

The data source for this study is the Current Population Survey (CPS), a monthly survey conducted by the U.S. Bureau of the Census of some 60,000 households across the United States. The survey is the nation's principal source of data on the labor force status of the population. Respondents provide information about their current employment status, hours of work, and wage rates along with demographic characteristics such as their age, race, ethnicity, educational attainment, marital status, and citizenship.

One important set of characteristics that are not explicitly elaborated in the monthly survey is family structure. Until fairly recently researchers who wanted to investigate labor market outcomes by certain family-types were confined to the annual March supplement to the CPS, which includes family-level variables. This meant that tabulations for small geographic areas (such as New York City) had to be based on a small sample, which limits how finely the data can be cut. But a 1994 redesign in the monthly survey now permits researchers to construct annual averages for family-level data. The larger sample available from 12 months of data allows for a more detailed exploration of labor market indicators by demographic characteristic than was formerly possible.[55]

The key definitions and concepts used to create the family-level variables are:

1. Family: A family is a group of two or more persons living together who are related by birth, marriage, or adoption. Our tabulations include only "primary" families; the householder (see below) and all other persons related to and residing with the householder. Non-relatives of the householder are not accounted for. Families are

[55] See footnote 95 in Jennifer L. Martel and David S. Landon. *The Job Market in 2000: Slowing Down as the Year Ended*. Monthly Labor Review, February 2001. The Bureau of Labor Statistics first published employment data of this kind in 1996.

classified as married-couple families or as families maintained by a woman without a spouse or families maintained by a man without a spouse.

2. Householder: A householder is the family reference person. This is the person, or one of the persons, in whose name the housing unit is owned or rented. The relationship of other persons in the household is defined by their relationship to this person.
3. Married mother. This person is defined as an individual who a) is either a householder or the spouse of a householder; b) is living in a married-couple family; c) is currently living with her spouse; and d) is living with at least one of her own children (son, daughter, stepchild or adopted child) who is under 18 years of age.
4. Single mother. This person is defined as an individual who a) is the reference person of her household; b) is living in a family maintained by a woman; c) is either divorced, separated, widowed, or never married; and d) is living with at least one of her own children (son, daughter, stepchild or adopted child) who is under 18 years of age.

Sample sizes for the tabulations:

Table 1: U.S. married mothers 134,526, U. S. single mothers 39,477, New York City married mothers 2,579, New York City single mothers 1,600.

Tables 2 through 8: Over the six years described in these tables the sample size averaged: U.S. married mothers 137,989, U. S. single mothers 40,343, New York City married mothers 2,693, New York City single mothers 1,721.

Tables 9 and 12 use a three-year average (combining data from 1999, 2000, and 2001) from the CPS outgoing rotation groups. The sample size for U.S. married mothers 60,478, U.S. single mothers 20,504, New York City married mothers 991, New York City single mothers 637.

Tables 10a, 10b, and 11: These tables use a three-year average (combining data from 1999, 2000, and 2001) from the full CPS sample: U.S. married mothers 286,964, U.S. single mothers 91,367, New York City married mothers 4,387, New York City single mothers 2,758.

The tabulations in Section VIII for annual weeks worked, unemployed, not in the labor force; annual hours; and poverty rely on the March supplement to the CPS, the only source of data in the survey that captures labor market activity and income over the course of the prior calendar year. Due to the limited size of the New York City sample, we employ three-year averages and provide no detailed breakdowns of the data by demographic group. Sample sizes are 9,969 for the U.S. and 363 for New York City.

Calculation of the "Total Income" Poverty Rate.

As noted in the text box "Measuring Poverty," the current federal definition of poverty is based on a family's pretax cash income. This includes cash from all sources; employment or other business activity; other private sources such as alimony and child support; and social programs such as public assistance and Social Security. There is widespread agreement that this definition of income is too restrictive for measuring poverty. First, it does not account for the effect of taxation. Our calculations of total income, therefore, add the value of the federal Earned Income Tax Credit and subtract federal payroll taxes and federal income tax liability from the family's total pretax cash income. The CPS provides data on these taxes that are derived from a tax model developed by the Bureau of the Census. The survey, however, does not provide data on state and local taxes; they are not included in our calculations.

A second drawback of the current definition is that it does not account for the cash value of a number of programs that make life better for low-income families. "Near-cash" programs are those benefits that are used by families to meet basic needs such as food and shelter. These benefits have an easily identifiable cash value and, like cash, they are exchanged for goods and

services. Our calculation of "total income" includes the value of Food Stamps, School Lunch programs, and Housing Assistance. The CPS measures the value of Food Stamps by their face value. The cash value of the School Lunch program is measured by the value of the free or subsidized meals children receive during the school year. Housing Assistance is the value of the subsidies participating families receive to meet their shelter costs under the Section 8 program.

This list does not exhaust all near-cash programs that enhance the quality of life of poor families. Data about state and city benefit programs are not available in the CPS. Neither is information about some federal nutritional programs such as the Women, Infants, and Children (WIC) nutritional program or the school breakfast program. An increasingly troubling omission in the CPS is the cash value of child care subsidies.

Finally, we do not include the value of Medicaid because it is not a form of near-cash assistance. First, there are questions about how Medicaid should be valued; should its value be based on the cost of the medical services a family might have purchased out of pocket or should it be based on the cost of similar insurance coverage in the private market? Second, Medicaid coverage is not a substitute for income. It is not exchangeable (like cash or near-cash) for other goods and services. And unlike food and shelter, low-income families rarely purchase private medical insurance; if they do not have coverage through Medicaid or from employer-provided health insurance, low-income families remain uninsured.

Table A1 measures the contribution of the various components of "total income" to the average total income of U.S. working single mother families that are living below 100 percent; from 100 percent through 149 percent; and 150 percent through 199 percent of the federal poverty threshold.[56] The table sheds further light on how much single mothers earn over the

[56] These are families headed by a single mother who has engaged in at least 27 weeks of labor market activity in the prior year. Families are grouped by their "official" (pre-tax cash income) poverty rates.

course of a year and the extent to which income transfer and tax programs fill the gap between their wages and their family's basic material needs.[57]

Earnings rise both absolutely and as a share of total family income as families lie further up the income ladder, from a little over $8,000 (and roughly 60 percent of the total) for families living below 100 percent of the poverty line to $21,000 (and nearly 85 percent of the total) for families living from 150 percent to 199 percent of the poverty line. These families do not receive much in the way of cash assistance. Average income from means-tested cash assistance for even the poorest families is only $714, just 5.2 percent of their total income. Social insurance programs play a small role, on average, in the total income of families living below 100 percent of the poverty line, less than $300. These programs make a greater contribution to the incomes of more well-off families. This is probably due to the structure of these programs; benefit levels are pegged to prior income and contributions.

The next two rows of the table measure the impact of the income sources not captured by the current federal poverty definition, the cash value of near-cash assistance and the Earned Income Tax Credit. The families living below 100 percent of the poverty line receive considerably more near-cash than cash assistance ($1,785 compared with $718), primarily from the Food Stamp program. The average value of this assistance to the next-poorest group of families is much more modest and reflects Food Stamp's 130 percent of the poverty line eligibility limit. Net taxes are positive for families living below 150 percent of the poverty line because the federal EITC more than offsets their federal income and payroll taxes. Families

[57] Readers should understand that Table A1 does not provide a representation of the median or typical family in each of these poverty classes. The figures in the table are averages. They were constructed by dividing the total income flowing to families in each of the poverty groups by the number of families in that group. On average, for example, families living below 100 percent of the poverty threshold received nearly $2,500 in means-tested assistance. This does not necessarily imply that all or even most families actually received any means-tested income.

BEST COPY AVAILABLE

living between 150 percent and 199 percent of the poverty threshold, however, suffer the consequences of the (all too hasty) EITC phase out.

Table A1:
Sources of Total Income by Poverty Status for U.S. Working Single Mother Families

	Percent of Poverty Line:					
	Below 100%		100%-149%		150%-199%	
Source of Income:	Amount	Share	Amount	Share	Amount	Share
Earnings[A]	$8,098	59.5%	$15,446	76.1%	$21,135	84.2%
Means-Tested[B]	$714	5.2%	$470	2.3%	$350	1.4%
Social Insurance[C]	$297	2.2%	$525	2.6%	$840	3.3%
Near-Cash[D]	$1,785	13.1%	$718	3.5%	$404	1.6%
Net Taxes[E]	$1,663	12.2%	$1,161	5.7%	-$375	-1.5%
Other	$1,048	7.7%	$1,971	9.7%	$2,741	10.9%
Total	$13,604	100%	$20,290	100%	$25,096	100%

Source: CSS tabulations from the Current Population Survey, March 1999, 2000, 2001.
Note: "Amount" is stated in 2000 dollars.
A: Wage and salary income.
B: Public assistance and Supplemental Security Income.
C: Income from: Social Security, Workers Compensation, and Unemployment Insurance.
D: Cash value of Food Stamps, School Lunch, and Housing Assistance.
E: Federal Earned Income Tax Credit-payroll taxes-federal income tax liability

BEST COPY AVAILABLE

CE058153

U.S. Department of Education
Office of Educational Research and Improvement (OERI)
National Library of Education (NLE)
Educational Resources Information Center (ERIC)

ERIC Educational Resources Information Center

REPRODUCTION RELEASE

(Specific Document)

I. DOCUMENT IDENTIFICATION:

Title: Mothers' Work: Single Mothers' Employment, Earnings, and Poverty in the Age of Welfare Reform	
Author(s): Mark Levitan and Robin Gluck	
Corporate Source: Community Service Society of New York	Publication Date: Sept. 2002

II. REPRODUCTION RELEASE:

In order to disseminate as widely as possible timely and significant materials of interest to the educational community, documents announced in the monthly abstract journal of the ERIC system, *Resources in Education* (RIE), are usually made available to users in microfiche, reproduced paper copy, and electronic media, and sold through the ERIC Document Reproduction Service (EDRS). Credit is given to the source of each document, and, if reproduction release is granted, one of the following notices is affixed to the document.

If permission is granted to reproduce and disseminate the identified document, please CHECK ONE of the following three options and sign at the bottom of the page.

The sample sticker shown below will be affixed to all Level 1 documents

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL HAS BEEN GRANTED BY

Sample

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

1

Level 1

☒

Check here for Level 1 release, permitting reproduction and dissemination in microfiche or other ERIC archival media (e.g., electronic) and paper copy.

The sample sticker shown below will be affixed to all Level 2A documents

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL IN MICROFICHE, AND IN ELECTRONIC MEDIA FOR ERIC COLLECTION SUBSCRIBERS ONLY, HAS BEEN GRANTED BY

Sample

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

2A

Level 2A

☐

Check here for Level 2A release, permitting reproduction and dissemination in microfiche and in electronic media for ERIC archival collection subscribers only

The sample sticker shown below will be affixed to all Level 2B documents

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY

Sample

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

2B

Level 2B

☐

Check here for Level 2B release, permitting reproduction and dissemination in microfiche only

Documents will be processed as indicated provided reproduction quality permits.
If permission to reproduce is granted, but no box is checked, documents will be processed at Level 1.

I hereby grant to the Educational Resources Information Center (ERIC) nonexclusive permission to reproduce and disseminate this document as indicated above. Reproduction from the ERIC microfiche or electronic media by persons other than ERIC employees and its system contractors requires permission from the copyright holder. Exception is made for non-profit reproduction by libraries and other service agencies to satisfy information needs of educators in response to discrete inquiries.

Sign here, please

Signature: Mark Levitan	Printed Name/Position/Title: Mark Levitan / Senior Policy Analyst
Organization/Address: Community Service Society 105 E 22nd St NY, NY 10010	Telephone: 212 614 5422 FAX: 212 614 9441
	E-Mail Address: mlevitan@cssny.org Date: 11/6/02

(Over)

III. DOCUMENT AVAILABILITY INFORMATION (FROM NON-ERIC SOURCE):

If permission to reproduce is not granted to ERIC, or, if you wish ERIC to cite the availability of the document from another source, please provide the following information regarding the availability of the document. (ERIC will not announce a document unless it is publicly available, and a dependable source can be specified. Contributors should also be aware that ERIC selection criteria are significantly more stringent for documents that cannot be made available through EDRS.)

Publisher/Distributor:
Address:
Price:

IV. REFERRAL OF ERIC TO COPYRIGHT/REPRODUCTION RIGHTS HOLDER:

If the right to grant this reproduction release is held by someone other than the addressee, please provide the appropriate name and address:

Name:
Address:

V. WHERE TO SEND THIS FORM:

Send this form to the following ERIC Clearinghouse: Acquisitions Coordinator
ERIC Clearinghouse on Adult, Career, and Vocational Education
Center on Education and Training for Employment
1900 Kenny Road
Columbus, OH 43210-1090

However, if solicited by the ERIC Facility, or if making an unsolicited contribution to ERIC, return this form (and the document being contributed) to:

ERIC Processing and Reference Facility
4483-A Forbes Boulevard
Lanham, Maryland 20706

Telephone: 301-552-4200
Toll Free: 800-799-3742
FAX: 301-552-4700
e-mail: info@ericfac.piccard.csc.com
WWW: http://ericfacility.org

EFF-088 (Rev. 2/2001)